



GVNW CONSULTING, INC.  
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Springfield, IL 62707  
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(217) 698-2715 (Fax)  
[www.gvnw.com](http://www.gvnw.com)

REDACTED – FOR PUBLIC INSPECTION

Via ECFS

October 21, 2013

Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 Twelfth Street S.W.  
Room 5-A225  
Washington, D.C. 20554

**RE: CONFIDENTIAL FINANCIAL INFORMATION - SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NOS. 10-90, 07-0135, 05-337, 03-109, CC DOCKET NOS. 01-92, 96-45, GN DOCKET NO. 09-51, WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION. (FILED IN DOCKETS 10-90 AND 11-42)**

Dear Ms. Dortch,

Hamilton County Telephone Co-Op. (Hamilton) hereby submits the attached redacted and confidential versions of its “FCC Form 481 – Carrier Annual Reporting Data Collection” financial information pursuant to sections §54.313 and §54.422 of the Commission’s rules, as filed with the Universal Service Administrative Company.

Section 3005 of Form 481 requires the filing of financial information per 47 C.F.R. §54.313(f)(2). Hamilton maintains that this information is “Confidential Financial Information” on the grounds that it is competitively sensitive information which could be used to disadvantage or harm Hamilton and is submitting this information pursuant to Protective Order, DA 12-1857 as described below.

First, Hamilton is submitting the “Confidential Financial Information” as a “Stamped Confidential Document” with each page bearing the legend CONFIDENTIAL FINANCIAL INFORMATION - SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NOS. 10-90, 07-0135, 05-337, 03-109, CC DOCKET NOS. 01-92, 96-45, GN DOCKET NO. 09-51, WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION. One copy of the “Stamped Confidential Document” and accompanying cover letter are enclosed.

Second, Hamilton is submitting the “Stamped Confidential Document” as a “Redacted Confidential Document” where the “Confidential Financial Information” has been redacted. Two copies of the “Redacted Confidential Document” and accompanying cover letter with each page stamped “REDACTED - FOR PUBLIC INSPECTION” are enclosed.

Finally, Hamilton is submitting two copies of the “Stamped Confidential Document” and accompanying cover letter to Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau, Federal Communications Commission, 445 Twelfth Street S.W., Room 5-A452, Washington, D.C. 20554.

FCC Form 481 was also filed prior to October 15<sup>th</sup> with the Illinois Commerce Commission.

Please contact me with any questions you have on this filing.

Sincerely,

*/s/ Dave Beier*

Dave Beier  
Consulting Manager  
GVNW Consulting, Inc.  
(217) 698-2700  
[dbeier@gvnw.com](mailto:dbeier@gvnw.com)

Enclosures

**FCC Form 481 – Carrier Annual Reporting  
Data Collection Form**

 FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010> Study Area Code	341024
<015> Study Area Name	HAMILTON COUNTY TEL
<020> Program Year	2014
<030> Contact Name: Person USAC should contact with questions about this data	Dave Beier
<035> Contact Telephone Number: Number of the person identified in data line <030>	217-862-1936
<039> Contact Email Address: Email of the person identified in data line <030>	dbeier@gvnm.com

<b>ANNUAL REPORTING FOR ALL CARRIERS</b>	<b>54.313 Completion Required</b>	<b>54.422 Completion Required</b>
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<100> Service Quality Improvement Reporting	(complete attached worksheet)	(check box when complete)	<input checked="" type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report			
<300> Unfulfilled Service Requests (voice)	0	<input checked="" type="checkbox"/>	
<310> Detail on Attempts (voice)	(attach descriptive document)		
<320> Unfulfilled Service Requests (broadband)			
<330> Detail on Attempts (broadband)	(attach descriptive document)		
<400> Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	
<410> Fixed	0.0		
<420> Mobile	0.0		
<430> Number of Complaints per 1,000 customers (broadband)			
<440> Fixed			
<450> Mobile			
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	
<510> 341024IL510	(attach descriptive document)	<input checked="" type="checkbox"/>	
<600> Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	
<610> 341024IL610	(attach descriptive document)	<input checked="" type="checkbox"/>	
<700> Company Price Offerings (voice)	(complete attached worksheet)		
<710> Company Price Offerings (broadband)	(complete attached worksheet)		
<800> Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)?	(if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	
<1000> Voice Services Rate Comparability	(check to indicate certification)		
<1010>	(attach descriptive document)		
<1100> Terrestrial Backhaul (Y/N)?	(if not, check to indicate certification)		
<1110>	(complete attached worksheet)		
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)		<input checked="" type="checkbox"/>

**Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet**

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	(check to indicate certification)	<input type="checkbox"/>
<2005>	(complete attached worksheet)	<input type="checkbox"/>

**Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet**

<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>

**(100) Service Quality Improvement Reporting  
Data Collection Form**

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

341024

HAMILTON COUNTY TEL

2014

Dave Beier

217-862-1936

dbeier@gvzw.com



(yes / no )



(yes / no )

&lt;110&gt;

Has your company received its ETC certification from the FCC?

If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC?

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

&lt;112&gt;

Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

Name of Attached Document (.pdf)

Please check these boxes below to confirm that the attached PDF, on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.


&lt;113&gt;

Maps detailing progress towards meeting plan targets

&lt;114&gt;

Report how much universal service (USF) support was received

&lt;115&gt;

How (USF) was used to improve service quality

&lt;116&gt;

How (USF) was used to improve service coverage

&lt;117&gt;

How (USF) was used to improve service capacity

&lt;118&gt;

Provide an explanation of network improvement targets not met in the prior calendar year.



[illegible]

(710) Broadband Price Offerings Data Collection Form			FCC Form 481 OMB (Control) No. 3060-0086 (OMB Control) No. 3060-0019 July 2013
<010>	Study Area Code	341024	
<015>	Study Area Name	HAMILTON COUNTY TEL	
<020>	Program Year	2014	
<030>	Contact Name - Person USAC should contact regarding this data	Dave Beier	
<035>	Contact Telephone Number - Number of person identified in data line <030>	217-862-1936	
<039>	Contact Email Address - Email Address of person identified in data line <030>	dbeier@gvwnv.com	

[illegible]





<b>(900) Tribal Lands Reporting Data Collection Form</b>	
EGC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013	

<010>	Study Area Code	341024
<015>	Study Area Name	HAMILTON COUNTY TEL
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Dave Beier
<035>	Contact Telephone Number - Number of person identified in data line <030>	217-862-1936
<039>	Contact Email Address - Email Address of person identified in data line <030>	dbeier@gymw.com

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions;
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select (Yes, No, NA)

Name of Attached Document (.pdf)

<b>(1100) No Terrestrial Backhaul Reporting Data Collection Form</b>		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013	
<010>	Study Area Code	341024	
<015>	Study Area Name	HAMILTON COUNTY TEL	
<020>	Program Year	2014	
<030>	Contact Name - Person USAC should contact regarding this data	Dave Beier	
<035>	Contact Telephone Number - Number of person identified in data line <030>	217-862-1936	
<039>	Contact Email Address - Email Address of person identified in data line <030>	dbeier@gvwnw.com	

☐

<1120> Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G)

☐

<1130> Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(G)

**(1200) Terms and Condition for Lifeline Customers****Lifeline****Data Collection Form**

FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010>	Study Area Code	341024
<015>	Study Area Name	HAMILTON COUNTY TEL
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Dave Beier
<035>	Contact Telephone Number - Number of person identified in data line <030>	217-862-1936
<039>	Contact Email Address - Email Address of person identified in data line <030>	dbeier@gvaw.com

**<1210> Terms & Conditions of Voice Telephony Lifeline Plans**

341024HL1210

Name of attached document (.pdf)

**<1220> Link to Public Website**

HTTP

"Please check these boxes below to confirm that the attached PDF, on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

<1221>	Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,	<input checked="" type="checkbox"/>
<1222>	Details on the number of minutes provided as part of the plan,	<input checked="" type="checkbox"/>
<1223>	Additional charges for toll calls, and rates for each such plan.	<input checked="" type="checkbox"/>

<b>(2000) Price Cap Carrier Additional Documentation</b>		FCG Form 481	
<b>Data Collection Form</b>		OMB Control No. 3060-0986/OMB Control No. 3060-0819	
<b>Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers.</b>		July 2013	

<010>	Study Area Code	341024
<015>	Study Area Name	HAMILTON COUNTY TEL
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Dave Beier
<035>	Contact Telephone Number - Number of person identified in data line <030>	217-862-1936
<039>	Contact Email Address - Email Address of person identified in data line <030>	dbeier@gvnu.com

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

#### Incremental Connect America Phase I reporting

- <2010> 2nd Year Certification {47 CFR § 54.313(b)(1)}
- <2011> 3rd Year Certification {47 CFR § 54.313(b)(2)}

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#### Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}

- <2012> 2013 Frozen Support Certification
- <2013> 2014 Frozen Support Certification
- <2014> 2015 Frozen Support Certification
- <2015> 2016 and future Frozen Support Certification

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#### Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

Certification Support Used to Build Broadband

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#### Connect America Phase II Reporting {47 CFR § 54.313(e)}

- <2017> 3rd year Broadband Service Certification
- <2018> 5th year Broadband Service Certification
- <2019> Interim Progress Certification
- <2020> Please check the box to confirm that the attached PDF, on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

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Interim Progress Community Anchor Institutions

Name of Attached Document Listing Required Information

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[3000] Rate Of Return Carrier Additional Documentation		FCC Form 481	
Data Collection Form		OMB Control No: 3060-0986/OMB Control No: 3060-0819	
		July 2013	

<010>	Study Area Code	341024
<015>	Study Area Name	HAMILTON COUNTY TEL
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Dave Belier
<035>	Contact Telephone Number - Number of person identified in data line <030>	217-862-1936
<039>	Contact Email Address - Email Address of person identified in data line <030>	dbelie@qvw.com

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

	Progress Report on 5 Year Plan	Name of Attached Document Listing Required Information	
(3010)	Milestone Certification (47 CFR § 54.313(f)(1)(i)). Please check this box to confirm that the attached PDF, on line 3012, contains the required information pursuant to § 54.313 (f)(1)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.		<input type="checkbox"/>
(3011)	Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii)). Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))? If yes, does your company file the RUS annual report? Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires: Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)		<input checked="" type="checkbox"/> (Yes/No) <input type="checkbox"/> (Yes/No)
(3012)	PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3013)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation		<input type="checkbox"/>
(3014)	If the response is no on line 3014, Is your company audited?		<input checked="" type="checkbox"/> (Yes/No)
(3015)	If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:		<input checked="" type="checkbox"/>
(3016)	Either a copy of their audited financial statements, or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input checked="" type="checkbox"/>
(3017)	Management letter issued by the independent certified public accountant that performed the company's financial audit.		<input checked="" type="checkbox"/>
(3018)	If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:		<input type="checkbox"/>
(3019)	Copy of their financial statement which has been subject to review by an independent certified public accountant; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,		<input type="checkbox"/>
(3020)	Underlying information subjected to a review by an independent certified public accountant		<input type="checkbox"/>
(3021)	Underlying information subjected to an officer certification.		<input type="checkbox"/>
(3022)	PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3023)	Attach the worksheet listing required information		<input type="checkbox"/>
(3024)			<input type="checkbox"/>
(3025)			<input type="checkbox"/>
(3026)			341024IL3026

<b>Certification - Reporting Carrier Data Collection Form</b>		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	341024
<015>	Study Area Name	HAMILTON COUNTY TEL
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Dave Beier
<035>	Contact Telephone Number - Number of person identified in data line <030>	217-862-1936
<039>	Contact Email Address - Email Address of person identified in data line <030>	dbeier@gvbw.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

<b>Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients</b>	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	341024
<015> Study Area Name	HAMILTON COUNTY TEL
<020> Program Year	2014
<030> Contact Name - Person USAC should contact regarding this data	Dave Beier
<035> Contact Telephone Number - Number of person identified in data line <030>	217-862-1936
<039> Contact Email Address - Email Address of person identified in data line <030>	dbeier@gvwn.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>Dave Beier</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	Dave Beier
Name of Reporting Carrier:	HAMILTON COUNTY TEL
Signature of Authorized Officer:	CERTIFIED ONLINE Date: 10/11/2013
Printed name of Authorized Officer:	Kevin Pyle
Title or position of Authorized Officer:	GM/EVP
Telephone number of Authorized Officer:	618-736-2211
Study Area Code of Reporting Carrier:	341024 Filing Due Date for this form: 10/15/2013
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	HAMILTON COUNTY TEL
Name of Authorized Agent or Employee of Agent:	Dave Beier
Signature of Authorized Agent or Employee of Agent:	CERTIFIED ONLINE Date: 10/11/2013
Printed name of Authorized Agent or Employee of Agent:	Dave Beier
Title or position of Authorized Agent or Employee of Agent:	GVNW Consulting Manager
Telephone number of Authorized Agent or Employee of Agent:	217-862-1936
Study Area Code of Reporting Carrier:	341024 Filing Due Date for this form: 10/15/2013
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

## Attachments



(800) Operating Companies  
Data Collection Form

FCC Form 481

OMB Control No: 3060-0986/OMB Control No: 3060-0819  
July 2013

<010> Study Area Code

341024

<015> Study Area Name

HAMILTON COUNTY TEL

<020> Program Year

2014

<030> Contact Name - Person USAC should contact regarding this data

Dave Beier

<035> Contact Telephone Number - Number of person identified in data line <030>

217-862-1936

<039> Contact Email Address - Email Address of person identified in data line <030>

dbeier@gvwn.com

<810> Reporting Carrier

Hamilton County Telephone Co-op

<811> Holding Company

N/A

<812> Operating Company

Hamilton county Telephone Co-op

<813>

<a1>

<a2>

<a3>

Affiliates

SAC

Doing Business As Company or Brand Designation

Hamilton County Communications, Inc.

Hamilton County Telephone Co-op (Hamilton)

SAC 341024

Illinois

FCC Form 481 – Line 510

Hamilton hereby certifies that it is complying with applicable federal and state service quality standards and consumer protection rules.

Description of Service Quality Standards and Consumer Protection Rules Compliance

- 1) Per Subpart A, Section 730.100 of Title 83, Chapter 1, Subchapter f of the Illinois Administrative Code, Hamilton is required to meet the service quality standards contained in Section 730. Subpart E of this section addresses “Standards of Quality of Service”. Subpart A, Section 730.115 requires the quarterly reporting of various installation, repair and answer time data for Illinois Commerce Commission and public review.
- 2) Hamilton complies with the requirements of 47 CFR Part 64 Subpart U, Customer Proprietary Network Information and Subpart Y, Truth in Billing Requirements for Common Carriers, and Federal Trade Commission Red Flag rules to prevent identity theft. A company manual for CPNI and Red Flags is in place, and employee training is conducted annually and new hires are instructed on the programs as required by their job functions.

Hamilton County Telephone Co-op (Hamilton)

SAC 341024

Illinois

FCC Form 481 – Line 610

Hamilton hereby certifies that it is able to function in emergency situations as set forth in the Code of Federal Regulations, Title 47, Part 54, Subpart C, §54.202(a)(2)1 and Subpart A, Section 730.325 of Title 83, Chapter 1, Subchapter f of the Illinois Administrative Code.

Description of Functionality in Emergency Situations

- 1) Hamilton has a disaster recovery/emergency plan in place per Subpart A, Section 730.325(a) of Title 83, Chapter 1, Subchapter f of the Illinois Administrative Code.
- 2) Hamilton has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations. The Company can change call routing translations as needed to reroute traffic around damaged facilities. Changing call routing translations will also allow the Company to manage traffic spikes throughout its network, as emergency situations require.
- 3) Specifically, in an emergency situation, each office is connected with an external generator that automatically engages in the event power is lost for a designated amount of seconds. The generators run on alternative fuels and are tested weekly to insure their ability to perform as needed in a power emergency. Each office is equipped with batteries that are capable of handling the load until such time as the generators engage. The central offices are also equipped with alarms that are sent to several employees and management during all hours. All alarms are verified and checked. In cabinet locations throughout all exchanges, power is provided from 4 different power sources, so as to never allow all cabinets to be down at one time, unless such act of God allows such a situation to occur. If so, we also have portable power generators, and we also have a backup relationship established with a neighboring cooperative, from which additional resources may be drawn. We have built automatic fail-safe redundancy in our network and systems and have several backup systems in place to reroute traffic, if necessary. We have designed two traffic paths out of our network to the public switched telephone network in order to aid in any failure or emergency.

Hamilton County Telephone Co-op (Hamilton)

SAC 341024

Illinois

FCC Form 481 – Line 1210

Description of Lifeline Terms and Conditions

- 1) See below for Hamilton's terms and conditions for Lifeline customers.
- 2) All of Hamilton's Lifeline customers receive unlimited local calling minutes.
- 3) Hamilton provides toll calling equal access for all Lifeline customers to numerous interexchange carriers (IXCs). The rates, terms and conditions of their toll carrier offerings are made by the IXCs, not by Hamilton.

TELEPHONE ASSISTANCE PROGRAMS

15. Telephone Assistance Programs

- 15.1 Universal Telephone Service Assistance Program (UTSAP) (T)
- A. A one-time credit of up to \$20.00, not to exceed 50% of the total connection charge, will be applied to each eligible subscriber or eligible new subscriber, as defined in A.1. below. (I)  
(C)
1. To qualify for the program, the applicant must participate in any of the following assistance programs, as required, to establish eligibility. The Illinois Department of Human Services will certify the applicant's participation in assistance programs (a) and (b) below for purposes of determining eligibility: (T)
- a. Medicaid
  - b. Supplemental Nutrition Assistance Program (SNAP) – formerly Food Stamps
  - c. Supplemental Security Income (SSI)
  - d. Federal Public Housing Assistance Program
  - e. Low-Income Home Energy Assistance (LIHEAP)
  - f. National School Lunch Program's Free Lunch Program
  - g. Temporary Assistance for Needy Families (TANF)
2. The Cooperative's verification form signed by the applicant or verification with the Department of Human Services shall constitute proof of income eligibility. (C)
3. Assistance shall be granted to one access line per low income household. (T)
- B. The UTSAP Program is funded through voluntary contributions from Illinois customers as described in 15.2 following. (T)

TELEPHONE ASSISTANCE PROGRAMS (Continued)

15. Telephone Assistance Programs (Continued)

15.2 Universal Telephone Supplemental Assistance Program (UTSAP) Voluntary Funding

A. Reserved for Future Use

(C)

(D)

|

(D)

B. Contributions

1. Members wishing to participate in the funding of UTSAP may do so by electing to contribute, on a monthly basis, a fixed amount to be included by the Cooperative on the Member's monthly bill. The voluntary contribution shall not reduce the Member's total monthly bill amount due the Cooperative for telephone services or other charges. One time or periodic contributions in excess of the amounts referred to below in a. and b. shall be made directly to the UTSAP Administrator.
  - a. Residential Members may elect to contribute \$.50, \$1.00, \$2.00 or \$5.00 per month.
  - b. Business Members may elect to contribute \$1.00, \$5.00, \$10.00 or \$25.00 per month.
2. Members may elect to discontinue or change the amount of monthly contribution on their bill at any time upon providing at least 30 days notice to the Company.
3. Failure by the Member in any month to remit the entire billed amount shall reduce the UTSAP contribution accordingly.

TELEPHONE ASSISTANCE PROGRAMS (Continued)

15. Telephone Assistance Programs (Continued)

15.3 Lifeline Telephone Assistance Program

(C)

- A. The Lifeline Program is a federally funded program established to provide monthly assistance to low income households. Eligible subscribers will receive a Federal Lifeline support credit of \$9.25.
- B. To qualify for the Lifeline Program the applicant's income, as defined in 47 CFR Section 54.400(f), must be at or below 135% of the Federal Poverty Guidelines. The applicant must provide documentation of income eligibility or participate in one of the following assistance programs:
  - 1. Medicaid
  - 2. Food Stamps
  - 3. Supplemental Security Income (SSI)
  - 4. Federal Housing Assistance
  - 5. Low Income Home Energy Assistance (LIHEAP)
  - 6. National School Lunch Program's free lunch program
  - 7. Temporary Assistance to Needy Families (TANF)
- C. The applicant must sign, under penalty of perjury a document certifying:
  - 1. That applicant meets one of the qualifications listed in 15.3(B)(2) above.
  - 2. Name of the program(s) from which applicant is receiving benefits.
  - 3. That applicant will notify the company within 30 days if he/she no longer participates in the program(s) named in 15.3(B)(2), preceding.
  - 4. Applicant will notify the company within 30 days if he/she moves to a new address.
  - 5. Applicants household is only receiving one Lifeline service.

(C)

TELEPHONE ASSISTANCE PROGRAMS (Continued)

15. Telephone Assistance Programs (Continued)

15.3 Lifeline Telephone Assistance Program (Cont'd)

(C)

- D. Lifeline service shall not be disconnected for non-payment of toll charges.
- E. Qualifying low-income subscribers who voluntarily elect toll blocking, where available, will not be required to pay a service deposit in order to initiate Lifeline Service. This service will only be provided at the customer's request.
- F. Qualifying Lifeline customers will not be charged a monthly number-portability charge.
- G. A Lifeline customer may only receive assistance from one wireline or one wireless provider per household.
- H. Customer Annual Responsibility

All Lifeline customers as of June 1, 2012 must certify with the Cooperative that they are still eligible for Lifeline support by December 31 each year. Customers may certify in person, over the phone or in writing. Customers will not be required to provide verifying documentation.

(C)





## INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors  
Hamilton County Telephone Co-Op  
Dahlgreen, Illinois

We have compiled the accompanying balance sheets of Hamilton County Telephone Co-Op (an Illinois corporation) as of December 31, 2012 and 2011, and the related statements of income and retained earnings or margins for the years ended December 31, 2012 and 2011, and cash flows for the year ended December 31, 2012, included in the accompanying prescribed form. We have not audited or reviewed the financial statements included in the accompanying prescribed form and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the form prescribed by the Federal Communications Commission (FCC).

Management is responsible for the preparation and fair presentation of the financial statements included in the form prescribed by the FCC and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The financial statements included in the accompanying prescribed form are presented in accordance with the requirements of the FCC, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the FCC, Universal Service Administrative Company and the Illinois Commerce Commission and is not intended to be and should not be used by anyone other than these specified parties.

*Kiesling Associates LLP*

West Des Moines, Iowa  
September 20, 2013

[3000a] Operating Report for Privately-Held Rate of Return Carriers		FCC Form 481	
Balance Sheet - Data Collection Form		OMB Control No. 3060-0986	
Page 1 of 3		July 2013	
<010> Study Area Code	<010> 341024		
<015> Study Area Name	<015> Hamilton County Telephone		
<020> Program Year	<020> 2014		
<030> Contact Name - Person USAC should contact regarding this data	<030> Kevin Pyle		
<035> Contact Telephone Number - Number of person identified in data line <030>	<035> 618-736-2211		
<039> Contact Telephone Email Address - Email Address of person identified in data line <030>	<039> kevinp@hamiltoncom.net		
<input type="checkbox"/> Files as reviewed single company <input type="checkbox"/> Filed as audited consolidated company <input type="checkbox"/> Filed as subsidiary of audited consolidated company			
CERTIFICATION			
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.			
Signature		Date	
PART A. BALANCE SHEET		BALANCE PRIOR YEAR	BALANCE END OF PERIOD
ASSETS		LIABILITIES AND STOCKHOLDERS' EQUITY	
CURRENT ASSETS		CURRENT LIABILITIES	
1. Cash and Equivalents		25. Accounts Payable	
2. Cash-RUS Construction Fund		26. Notes Payable	
3. Affiliates:		27. Advance Billings and Payments	
a. Telecom Accounts Receivable		28. Customer Deposits	
b. Other Accounts Receivable		29. Current Mat. LT Debt	
c. Notes Receivable		30. Current Mat. LT Debt-Rur. Dev.	
4. Non-Affiliates:		31. Current Mat.-Capital Leases	
a. Telecom Accounts Receivable		32. Income Taxes Accrued	
b. Other Accounts Receivable		33. Other Taxes Accrued	
c. Notes Receivable		34. Other Current Liabilities	
5. Interest and Dividends Receivable		35. Total Current Liabilities (25 thru 34)	
6. Material-Regulated		LONG-TERM DEBT	
7. Material-Nonregulated		36. Funded Debt-RUS Notes	
8. Prepayments		37. Funded Debt-RTB Notes	
9. Other Current Assets		38. Funded Debt-FFB Notes	
10. Total Current Assets (1 Thru 9)		39. Funded Debt-Other	
NONCURRENT ASSETS		40. Funded Debt-Rural Develop. Loan	
11. Investment in Affiliated Companies		41. Premium (Discount) on LT Debt	
a. Rural Development		42. Recquired Debt	
b. Nonrural Development		43. Obligations Under Capital Lease	
12. Other Investments		44. Adv. From Affiliated Companies	
a. Rural Development		45. Other Long-Term Debt	
b. Nonrural Development		46. Total Long-Term Debt (36 thru 45)	
13. Nonregulated Investments		OTHER LIAB. & DEF. CREDITS	
14. Other Noncurrent Assets		47. Other Long-Term Liabilities	
15. Deferred Charges		48. Other Deferred Credits	
16. Jurisdictional Differences		49. Other Jurisdictional Differences	
17. Total Noncurrent Assets (11 thru 16)		50. Total Other Liabilities and Deferred Credits (47 thru 49)	
PLANT, PROPERTY, AND EQUIPMENT		EQUITY	
18. Telecom, Plant-in-Service		51. Cap. Stock Outstanding & Subscribed	
19. Property Held for Future Use		52. Additional Paid-in-Capital	
20. Plant Under Construction		53. Treasury Stock	
21. Plant Adj., Nonop. Plant & Goodwill		54. Membership and Cap. Certificates	
22. Less Accumulated Depreciation		55. Other Capital	
23. Net Plant (18 thru 21 less 22)		56. Patronage Capital Credits	
		57. Retained Earnings or Margins	
		58. Total Equity (51 thru 57)	
24. TOTAL ASSETS (10+17+23)		59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	

(3000b) Operating Report for Privately-Held Rate of Return Carriers  
Balance Sheet - Data Collection Form  
Page 2 of 3

FCC Form 481  
OMB Control No. 3060-0986  
July 2013

<010> Study Area Code 341024  
<015> Study Area Name Hamilton County Telephone  
<020> Program Year 2014  
<030> Contact Name - Person USAC should contact regarding this data Kevin Eyle  
<035> Contact Telephone Number - Number of person identified in data line <030> 618-736-2211  
<039> Contact Telephone Email Address - Email Address of person identified in data line <030> kevinp@hamiltoncom.net

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS		PRIOR YEAR	THIS YEAR
ITEM			
1. Local Network Services Revenues			
2. Network Access Services Revenues			
3. Long Distance Network Services Revenues			
4. Carrier Billing and Collection Revenues			
5. Miscellaneous Revenues			
6. Uncollectible Revenues			
7. Net Operating Revenues (1 thru 5 less 6)			
8. Plant Specific Operations Expense			
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)			
10. Depreciation Expense			
11. Amortization Expense			
12. Customer Operations Expense			
13. Corporate Operations Expense			
14. Total Operating Expenses (8 thru 13)			
15. Operating Income or Margins (7 less 14)			
16. Other Operating Income and Expenses			
17. State and Local Taxes			
18. Federal Income Taxes			
19. Other Taxes			
20. Total Operating Taxes (17-18-19)			
21. Net Operating Income or Margins (15+16-20)			
22. Interest on Funded Debt			
23. Interest Expense - Capital Leases			
24. Other Interest Expense			
25. Allowance for Funds Used During Construction			
26. Total Fixed Charges (22+23+24-25)			
27. Nonoperating Net Income			
28. Extraordinary Items			
29. Jurisdictional Differences			
30. Nonregulated Net Income			
31. Total Net Income or margins (21+27+28-29+30-26)			
32. Total Taxes Based on Income			
33. Retained Earnings or Margins Beginning-of-Year			
34. Miscellaneous Credits Year-to-Date			
35. Dividends Declared (Common)			
36. Dividends Declared (Preferred)			
37. Other Debits Year-to-Date			
38. Transfers to Patronage Capital			
39. Retained Earnings or Margins end-of-Period [(31+33+34)-(35+36+37+38)]			
40. Patronage Capital Beginning-of-Year			
41. Transfers to Patronage Capital			
42. Patronage Capital Credits Retired			
43. Patronage Capital End-of-Year (40+41-42)			
44. Annual Debt Service Payments			
45. Cash Ratio [(14+20-10-11)/7]			
46. Operating Accrual Ratio [(14+20+26)/7]			
47. TIER [(31+26)/26]			
48. DSCR [(31+26+10+11)/44]			

(3000c) Operating Report for Privately-Held Rate of Return Carriers  
Balance Sheet - Data Collection Form  
Page 3 of 3

FCC Form 481  
OMB Control No. 3050-0986  
July 2013

<010> Study Area Code  
<015> Study Area Name  
<020> Program Year  
<030> Contact Name - Person USAC should contact regarding this data  
<035> Contact Telephone Number - Number of person identified in data line <030>  
<039> Contact Telephone Email Address - Email Address of person identified in data line <030>

<010> 341024  
<015> Hamilton County Telephone  
<020> 2014  
<030> Kevin Pyle  
<035> 618-736-2211  
<039> kevinp@hamiltoncom.net

PART C. STATEMENTS OF CASH FLOWS	
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	
2. Net Income	
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
3. Add: Depreciation	
4. Add: Amortization	
5. Other (Explain)	
Changes in Operating Assets and Liabilities	
6. Decrease/(Increase) in Accounts Receivable	
7. Decrease/(Increase) in Materials and Inventory	
8. Decrease/(Increase) in Prepayments and Deferred Charges	
9. Decrease/(Increase) in Other Current Assets	
10. Increase/(Decrease) in Accounts Payable	
11. Increase/(Decrease) in Advance Billings & Payments	
12. Increase/(Decrease) in Other Current Liabilities	
13. Net Cash Provided/(Used) by Operations	
CASH FLOWS FROM FINANCING ACTIVITIES	
14. Decrease/(Increase) in Notes Receivable	
15. Increase/(Decrease) in Notes Payable	
16. Increase/(Decrease) in Customer Deposits	
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	
18. Increase/(Decrease) in Other Liabilities & Deferred Credits	
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	
20. Less: Payment of Dividends	
21. Less: Patronage Capital Credits Retired	
22. Other (Explain)	
23. Net Cash Provided/(Used) by Financing Activities	
CASH FLOWS FROM INVESTING ACTIVITIES	
24. Net Capital Expenditures (Property, Plant & Equipment)	
25. Other Long-Term Investments	
26. Other Noncurrent Assets & Jurisdictional Differences	
27. Other (Explain)	
28. Net Cash Provided/(Used) by Investing Activities	
29. Net Increase/(Decrease) in Cash	
30. Ending Cash	



To the Board of Directors  
Hamilton County Telephone Co-Op and Subsidiaries  
Dahlgren, Illinois

We have audited the consolidated financial statements of Hamilton County Telephone Co-Op and subsidiaries, as of and for the year ended December 31, 2012, and have issued our report thereon dated March 21, 2013.

Professional standards require the auditor to communicate certain matters to those charged with governance. The following comments regarding our responsibilities and results of our audit of the consolidated financial statements of Hamilton County Telephone Co-Op and subsidiaries for the year ended December 31, 2012, will assist you in overseeing the financial reporting and disclosure process for which management is responsible.

#### **Our Responsibility under Generally Accepted Auditing Standards**

Our responsibility as described by professional standards and stated in our engagement letter, is to express an opinion about whether the consolidated financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the consolidated financial statements does not relieve you or management of your responsibilities. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable, but not absolute, assurance that the consolidated financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud or other illegal acts may exist and not be detected by us.

As part of our audit, we considered the internal control of Hamilton County Telephone Co-Op and subsidiaries. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters. We are also responsible for communicating matters required by law, regulation, agreement or other requirements applicable to the engagement to you.

#### **Other Client Information Presented with the Consolidated Financial Statements**

Our responsibility with respect to the supplementary information included with the consolidated financial statements is as described in our report thereon dated March 21, 2013.

To the Board of Directors  
Hamilton County Telephone Co-Op and Subsidiaries  
Page 2

### **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter.

### **Significant Audit Findings**

#### Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies.

The significant accounting policies of the Company are described in footnotes to the consolidated financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2012.

Accounting estimates are an integral part of the consolidated financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Sensitive accounting estimates included in the consolidated financial statements for the year ended December 31, 2012, relate to the estimates for depreciation. As part of our audit, we compared the Company's depreciation rates to average rates used within the telecommunications industry. We have also discussed with management the Company's long-range plant replacement plans and have determined the current depreciation rates to be consistent with those plans.

Management's estimate of the percent complete of construction contracts is based on the percentage of cost incurred through the year ended December 31, 2012 to estimated total cost for each contract. We evaluated the key factors and assumptions used to develop the percent complete of construction contracts in determining that it is reasonable in relation to the consolidated financial statements taken as a whole.

#### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.



## REDACTED – FOR PUBLIC INSPECTION

To the Board of Directors  
Hamilton County Telephone Co-Op and Subsidiaries  
Page 3

### Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the consolidated financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit that individually or in the aggregate were of such significance that reference to the subject matter would have been made in our reports.

### Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 21, 2013.

### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Company's consolidated financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Company's auditor. However, these communications occurred in the normal course of our professional relationship and to our knowledge our responses were not a condition to our retention.

This letter is intended solely for the information and use of the board of directors, management of the Company, the Federal Communications Commission, Universal Service Administrative Company and the Illinois Commerce Commission and is not intended to be and should not be used by anyone other than these specified parties.

*Kiesling Associates LLP*

West Des Moines, Iowa  
March 21, 2013